Top Secret
[redacted]
NOFORN-NOCONTRACT

SITUATION REPORT

BOLIVIA

Colonel Natusch's position is continuing to erode as civilian opposition gains momentum. [redacted]

In an effort to quell growing public disorder, Natusch declared martial law yesterday and is said to be planning a further crackdown on his opponents. A curfew remains in effect and the right of assembly has been severely restricted. [redacted]

These measures provoked a number of clashes over the weekend between military units loyal to the regime and student-worker groups attempting to set up barricades in La Paz. Small arms and automatic weapons fire is continuing. In a show of force, Natusch has ordered Air Force T-33 jets to strafe areas of the city where opposition groups are concentrated. At least 20 are dead and 40 wounded in the violence so far. [redacted]

Leftist labor leaders have extended the general strike through today and have vowed to continue it until Natusch is brought down. Shortages of fuel and food could be acute in the next few days. Although the strike has been generally successful thus far, some labor leaders have lost contact with their workers and thus may be unable to sustain a no-work policy. [redacted]

A decree ordering workers to return to their jobs today or face dismissal increases the chances of further clashes with the military, particularly in the volatile mining areas where work stoppages have brought industry to a halt. [redacted]

There is no indication that Natusch is prepared to compromise. In fact, fellow colonels and former President Banzer have urged him to use even more repressive measures; Banzer has thrown the full support of his party

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and rightist following to the regime. Civilian supporters of the regime reportedly are being supplied with weapons. Harsher measures would appear to play into the hands of extreme leftists who are attempting to forge a coalition of democratic forces and have played a prominent role in the violence to date.

Political leaders are expressing fears over the polarization and the possibility of serious sectoral conflict if the situation is not cooled. Conflict within the military is also possible, as both former armed forces Commander in Chief Padilla and retired General Ayoroa oppose the new regime.

The Catholic Church reportedly is prepared to use its good offices to mediate the crisis. In addition, moderate civilian and military leaders are attempting to work out a face-saving mechanism that will avert further bloodshed.